

ARTICLES OF INCORPORATION
OF
DOUBLE R RANCH OWNERS' ASSOCIATION, INC.

We, the undersigned, natural persons of the age of twenty-one (21) years or more, at least two (2) of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation of such corporation.

ARTICLE ONE

The name of the corporation (which is hereinafter called Corporation) is Double R Ranch Owners' Association, Inc.

ARTICLE TWO

The Corporation is a non-profit corporation.

ARTICLE THREE

The period of its duration is perpetual.

ARTICLE FOUR

The purpose or purposes for which the corporation is organized is to promote and develop the common good and social welfare of the people of the community of Bandera River Ranch and its environs. "Bandera River Ranch" being defined as the community to be developed on all or a portion of that tract of land in Bandera County, Texas, presently consisting of 1218 acres of land, more or less.

Provided, however, only those portions of the above described property as shall hereafter be actually subjected to a Declaration of Covenants and Restrictions supporting and benefiting the Corporation, together with any additional land in the county, which

may hereafter be subjected to such Declaration of Covenants and Restrictions supporting and benefiting the corporation, and adopted by resolution of the Board of Directors of the Corporation, shall be considered as the community of Bandera River Ranch and the proper object of the powers and purposes of the corporation.

Without limiting the foregoing general statement of purposes, the Corporation shall have the following specific purposes:

(1) To aid, promote, and provide for the establishment, advancement and perpetuation of any and all utilities, systems, services and facilities within Bandera River Ranch which tend to promote the general welfare of its people with regard to health, safety, education, culture, recreation, comfort or convenience to the extent and in the manner deemed desirable by the Board of Directors.

(2) To operate and maintain or provide for the operation and maintenance of any properties, which may be from time to time designated or conveyed to the Corporation for the operation and maintenance as areas serving the general welfare of Bandera River Ranch and the people thereof with regard to health, safety, education, culture, recreation, comfort and convenience.

(3) To enforce if it so elects, but without any duty to enforce, all covenants, restrictions, reservations, servitudes, profits, licenses, conditions, agreements, easements and liens established for the support and/or benefit of the Corporation, or which it may be legally entitled to enforce, and to disburse and use the proceeds of any such charges and to use and disburse any funds which may come into the hands of the Corporation for the promotion of any and all, of the purposes of the Corporation in a lawful manner determined by the Board of Directors.

(4) To do any and all lawful things and acts that the Corporation may from time to time, in its discretion, deem to be for the benefit of Bandera River Ranch and the inhabitants thereof or advisable, proper or convenient for the promotion of the interest of said inhabitants with regard to health, safety, education, culture, recreation, comfort or convenience of such community.

The Corporation will take action to accomplish the foregoing purposes only when and if such action appears in the sole and absolute discretion of the Board of Directors to be desirable and feasible.

ARTICLE FIVE

Section 1. Every person or entity who is the owner of a fee or of the equitable title in a lot or living unit, when purchasing under a contract, and who is subject to assessment, either present or future, by the Corporation, pursuant to the provisions of any recorded instrument relating to such assessment, shall be a member of the Corporation. For the purpose of determining membership, such ownership will be deemed to have vested upon delivery of a duly executed deed or contract to the grantee or vendee. The legal title retained by a vendor selling under a contract shall not qualify such vendor for membership. Foreclosure of a contract or repossession for any reason of a lot or unit sold under contract shall terminate the vendee's membership, whereupon all rights to such membership shall revert in the vendor.

Section 2. Members shall be all the owners as defined in Section 1 of this Article. Members shall be entitled to one (1) vote for each lot or living unit in which they hold the interest required for membership by Section 1 as shown by the records of the

Corporation as of the last day of the month preceding the next membership annual meeting. When more than one person holds such interest or interests in any lot or living unit, all such persons shall be members and the vote for such lot or living unit shall be exercised as they may among themselves determine, but in no event shall more than one vote be cast with respect to any such lot or living unit.

For purposes of determining the votes allowed under this section, when living units are counted, the lot upon which such living units are situated shall not be counted.

ARTICLE SIX

The street address of the registered office of the Corporation is 161 Broken Spur Road, Bandera, TX 78003. The name and post office address of the initial registered agent of the corporation in this state is JoAnn Kickler, 161 Broken Spur Road, Bandera, TX 78003.

ARTICLE SEVEN

The Corporation shall have seven (7) directors who shall constitute the Board of Directors and the governing body of the Corporation. The Board of Directors shall consist of the seven (7) directors who shall hold office until the election of their successors for the term stated hereinafter. Beginning with the annual meeting, to be held on the last Saturday in October, the members of each annual meeting shall elect one (1) director per expired term for a term of three (3) years. Director positions shall be numbered one through seven. The terms of Directors occupying positions one and two shall expire at the 2011 annual meeting of the members. The terms of Directors occupying positions three and four shall expire at the 2012 annual meeting of the members. The terms of Directors occupying positions five, six, and seven, shall expire at

the 2013 annual meeting. Thereafter, the rotation shall continue in order. Provided are the names and addresses of those persons who are directors until the election of their successors and their terms are:

- Position 1: Richard Link, 161 Broken Spur Road, Bandera, TX 78003;
- Position 2: JoAnn Kickler, 161 Broken Spur Road, Bandera, TX 78003;
- Position 3: Wayne Mauldin, 161 Broken Spur Road, Bandera, TX 78003;
- Position 4: William Dillard, 161 Broken Spur Road, Bandera, TX 78003;
- Position 5: Ernest DeWinne, 161 Broken Spur Road, Bandera, TX 78003;
- Position 6: Replacement for Bruce Leland,
- Position 7: New Board Member after Articles are accepted.

Except as herein otherwise specified, the decision of the majority of the directors currently serving as such shall be required and shall be sufficient to authorize any action on behalf of the corporation. Each director shall be entitled to one (1) vote on every matter presented to the Board of Directors.

ARTICLE EIGHT

The name and street address of each incorporator is:

LEONARD E. DAVIS, 11130 Ballet, San Antonio, Texas 78216

CHARLES E. BIERY, 929 Morningside Drive, San Antonio, Texas 78209

BOBBY D. MYERS, 8323 White Oak Drive, San Antonio, Texas 78230